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REFERENCE TITLE: **property tax valuation; telecommunications companies**

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

SB 1246

Introduced by
Senator Martin; Representative Huffman

AN ACT

AMENDING SECTION 42-14403, ARIZONA REVISED STATUTES; RELATING TO CENTRALLY ASSESSED PROPERTY VALUATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-14403, Arizona Revised Statutes, is amended to
3 read:

4 42-14403. Determining valuation; definition

5 A. On or before August 31 of each year the department shall determine
6 the valuation as of January 1 of the property of all telecommunications
7 companies operating in this state at its full cash value. Real estate shall
8 be valued at market value, and personal property shall be valued on a unitary
9 basis at its historical cost less depreciation. THE DEPARTMENT SHALL MAKE AN
10 ADJUSTMENT FOR OBSOLESCENCE, WHETHER ECONOMIC OR FUNCTIONAL.

11 B. For THE purposes of this section:

12 1. Depreciation is computed based on ~~the tables adopted by the~~
13 ~~department in its personal property manual in effect on January 1, 1993~~ A
14 STRAIGHT LINE METHOD for the following categories AND YEARS:

15 (a) Buildings with a twenty-five year life.

16 (b) Cable with a fifteen year life.

17 (c) Telecommunications equipment with a five year life.

18 (d) Any other telecommunications property that is not included in
19 subdivisions (a), (b) and (c) with a seven year life.

20 ~~3.~~ 2. For cellular or other wireless telecommunications companies,
21 the ~~"taxable unit"~~ is the applicable metropolitan statistical area or rural
22 statistical area and does not include the value of any license that is issued
23 by the federal communications commission.

24 ~~2.~~ C. FOR THE PURPOSES OF THIS SECTION, "historical cost" means the
25 original cost as reported on the ~~company's books and~~ records THAT ARE
26 MAINTAINED BY THE COMPANY IN THE REGULAR COURSE OF BUSINESS, INCLUDING
27 ELECTRONIC RECORDS, INTERNAL RECORDS, PROPERTY TAX RECORDS AND ANY OTHER
28 ELECTRONIC OR WRITTEN DOCUMENT THAT THE COMPANY USES TO ESTABLISH THE VALUE
29 OF THE PROPERTY AND REPORT THE VALUE TO THE DEPARTMENT.